**Macro Economics Unit 2 IP Microeconomics and Market Concepts**

You want to start a company, and are trying to decide between two different industries. You are doing your final research before you write your business plan.

Industry A has 20 firms and a Concentration Ratio (CR) of 30%

* What is the name for this type of industry?
* Describe some of this industry's characteristics.
* If you were in this industry and there was an increased demand for the product that pushed up the price of goods, what long-run adjustments would you expect?
* What does your anticipated adjustment process imply about the CR for the industry?

Industry B has 20 firms and a Concentration Ratio (CR) of 80%.

* What is the name for this type of industry?
* Describe some of this industry's characteristics.
* What are some reasons why this industry has a high CR while Industry A had a low CR?
* Is it possible for smaller firms to thrive and profit in Industry B? Why or why not?